

Rep. Peter Welch on Tuesday introduced legislation to protect dairy farmers by closing a trade loophole that allows for the unlimited importation of a form of dried milk product.

Welch's bill, the Milk Import Tariff Equity Act, will update existing trade regulations to include milk protein concentrate (MPC) and treat it like all other imported dairy products. In the past decade, MPC imports have more than doubled, undermining the market for domestic powdered milk and driving down the price Vermont's dairy farmers are paid for their milk.

"As international dairy producers have flooded the American market with milk protein concentrate, Vermont's dairy farmers have paid the price. By circumventing trade agreements, these producers have contributed to the plummeting price of milk and caused many Vermont farmers to go out of business," Welch said. "This legislation will simply level the playing field and ensure that all dairy producers play by the same rules."

Milk protein concentrate, similar to non-fat dried milk, is used in a variety of processed food products. In the past ten years, MPC imports have increased 58 percent. A 2004 International Trade Commission report found that, "imported milk protein products may have displaced approximately 318 million pounds of U.S. produced milk protein [equivalent to 883 million pounds of non-fat dried milk] between 1998 and 2002."

Because the technology used to produce MPCs was relatively new at the time, regulations approved during the 1995 Uruguay Round of multilateral trade negotiations neglected to include MPCs. In the years since, foreign producers have taken advantage of this oversight and increased exports at a rate higher than is allowed for other dairy products.

The Milk Import Tariff Equity Act would simply close this loophole and ensure that milk protein concentrates are regulated at the same level as other dairy products.

Companion legislation was introduced in the Senate earlier this year by Sen. Charles Schumer (D-NY).